

# ethikos

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Following the  
boss's orders  
might land you  
in jail

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The problem, doctor,  
is that my company's  
ethics are hurting

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# Everyday ethics: 1000+ cable channels & limited diversity?

BY WALTER E. JOHNSON

**I** am an automotive enthusiast. One of my talents is art. As a child, my dream was to be a designer for a major automotive manufacturer. By practicing art daily, I pursued my dream for a significant period of my life. For inspiration, I attended annual auto shows and read industry related literature. Prior to the information age, this information was not easily accessible.

When many people think of an automotive enthusiast, their first thought is NASCAR or Formula One racing. Rarely, does one think of the enthusiast from an artistic or design perspective. As an enthusiast, I appreciate a great race however; I appreciate attending an automotive museum or a car show to see the designs of Harley Earl and other great designers even more.

Television networks have not catered to this type of automotive enthusiast until the introduction of reality shows. In the past decade, reality shows such as *American Chopper* and *American Hot Rod* have invited viewers to observe the steps of the design and restoration process. This was the beginning for many automotive enthusiasts to have something to look forward to watching on television. Prior to this, I watched shows selected by my family such as *Phineas and Ferb* and *The Good Wife*. The broadcasting of television shows such as *Barrett-Jackson*, *My Classic Car*, and Mequiar's *Car Crazy* revealed more of the car hobby. Networks such as the



Speed Channel and Velocity became the homes for these shows.

Of the shows mentioned, Meguiar's *Car Crazy* has dedicated more time to the car show culture from around the world. They have toured museums and interviewed museum managers. Additionally, they have interviewed organizers and attended car shows throughout the United States, Australia, Canada, and other places. Private collectors have opened their doors to allow the show to feature some of the vehicles and learn about the vehicles' history. This has opened doors for Jay Leno who has new show featuring his car and motorcycle collection.

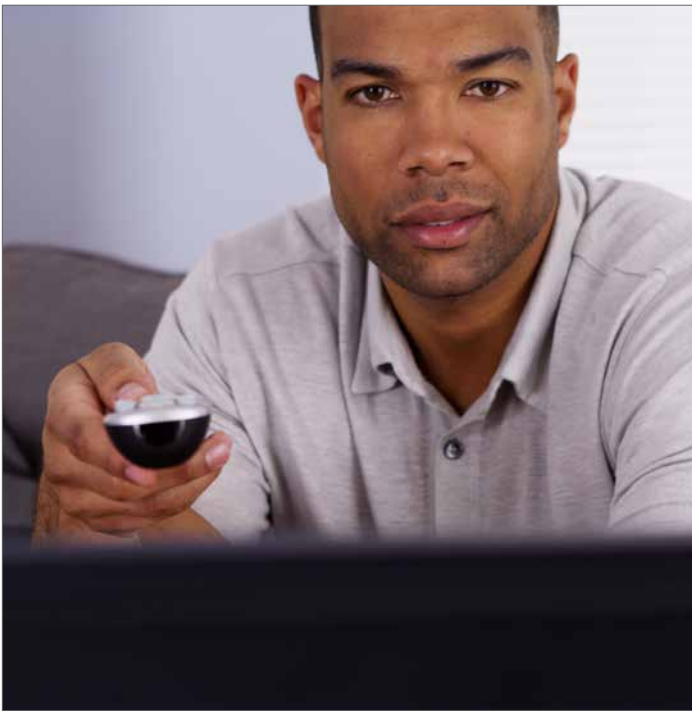
Several years ago, I stumbled across a network called, "Cars.TV". Although unrelated, this network expanded on Meguiar's *Car Crazy* 30-minute segment by focusing on car shows and automotive museums 24 hours a day and 7 days a week. Finally, I had a channel that I could watch any time that would

broadcast something that I was interested in watching.

Over time, it appeared that the network was not generating new content. I was baffled so I looked into Cars.TV. The show is one of eight networks owned by Entertainment Studios that is co-founded by comedian Byron Allen. Apparently, Entertainment Studios is suing a few cable providers for providing limited opportunities for minority owned networks. This is the result of years of unsuccessfully engaging executives. Byron Allen won the case against AT&T and it allows Entertainment Studios to broadcast to 26 million viewers on AT&T, U-Verse, and DirecTV.<sup>1</sup> He has other cases pending against several other providers, such as Comcast and Time Warner.<sup>2</sup> Social media has mixed comments about the verdict. Some support the verdict and believe that he has a point and others believe that by winning, there will be an increase of minority-owned networks and



shows either desired or undesired. Is this the case? If “minority-owned” is removed from the statement, I believe an increase of desired and undesired television shows and networks still remains a dilemma. Television history includes a list of discontinued shows that are both desired and undesired. Of course, this is subject to the viewers’ interest.



Viewers upgrade from local programming networks to cable for variety. Cable and satellite providers advertise their numerous channel selections and diverse options for viewers. Travel enthusiasts have the Travel network as an option. The Food Network offers shows for viewers that appreciate exotic foods, enjoy culinary skills, or looking for new cooking tips. Home & Garden TV (HGTV) provides several television shows focusing on purchasing a home, selling a home, beautifying a home, and repairing a home. Sports fans have

the option of sitting in front of the television an entire Sunday while automotive enthusiasts have a handful of shows and hopefully, a garage. Sports fans have ESPN and sport specific channels such as the Golf Channel, Tennis Channel, and NFL Network. Most of these networks and shows have competitors.

Organizations determine their scope and target market. They decide whether to provide one product or multiple products that are supplements or totally different products. A key driver to determining whether to expand their scope and target market is their finances and human resource capacity and skill set. When organizations achieve success, many attempt to duplicate success with duplicate products or services. An example in television includes the CSI franchise. Their line-up included *CSI* (Las Vegas), *CSI Miami*, *CSI New York*, and *CSI Cyber*. Few organizations dare venture out of their comfort zone in fear of unsuccessful results. In my opinion, this is understandable when the scope is defined.

In cable television, the scope is diverse networks to satisfy a wide range of viewers.

In general, cable providers advertise diversity and promote their diverse viewer selection options. Executives entertaining proposals to expand their services to include automotive-themed networks and television shows should not be abnormal. Before Cars.TV, there was the Speed Channel that was dedicated to racing themed events. It is possible the short-term success of this channel has executives hesitant to entertain a similar network.

In “Start With Why,” Simon Sinek says that when companies forget why they started, their followers forget, also.<sup>3</sup> Sinek believes



that organizations that begin to focus on transactions initiate their business suffering, also.<sup>4</sup> In a recent conversation with my college friends, two (2) of five (5) frequently switch between cable providers to secure a better deal. Another college friend uses their mobile device or computer to watch shows and movies directly from a website. I believe Sinek has a point and I would add that failure to understand an organization's ethical stance limits an organization's potential to maintain or increase committed consumers.

In this scenario, a cable provider loses a discrimination lawsuit that was initiated by prolonged negotiations to broadcast a network. Although the final settlement amount has not been disclosed, this started as a \$10 billion lawsuit. The lawsuit filed against Comcast is for \$20 billion. The process for selecting networks and the timeline should have the attention of the board of directors, legal, and the compliance and ethics officer.

The financial impact and negative publicity should raise some concerns. Most important is to determine whether the decision-making process has similar results for other proposals. If so, failing to make changes to the decision-making process can become expensive. Does this one decision reflect their ethical culture? Was this risk overlooked on the risk assessment? This is a fraction of the questions that the cable providers must ask themselves that consumers may have already answered for themselves.

From the surface, prolonged negotiations resulted in an enormous impact to the organization. How can organizations improve their decision-making? According to Sasha Zegenhagen, organizations that promote diversity reportedly make better decisions.<sup>5</sup> The author addresses diversity from a gender perspective. Research supports that workgroups such as boards that include both females and males reportedly make better decisions. In addition

to varying experiences and perspectives, contributing to these results is the ability of women to pick up social cues better than men. They are able to encourage conversation among other meeting members. Their facial expressions last slightly longer than men so missing an opportunity to receive additional input is reduced. This is important because additional insight can be a factor in promoting an ethical decision or preventing an unethical one, also.

Cable providers have a right to select their networks. The statistics in this scenario were not favorable to the cable provider and may not be favorable to the other providers facing lawsuits. Reputational risk exists but may be minimal; only time will reveal reputational damage. In parts of Maryland, there are two

providers, Verizon (FIOS) and Comcast (Xfinity). Options are limited for those that decide to change services for personal reasons such as value or ethical decisions. Cable providers have the right to select networks based on their risk tolerance. When cable providers decide to establish a protocol that serves as filter for decisions that they prefer to delay or possibly avoid, they should consider the consequences that will have on their revenue and reputation. There is no decision that we can make that does not end with either a positive, negative, or neutral result.

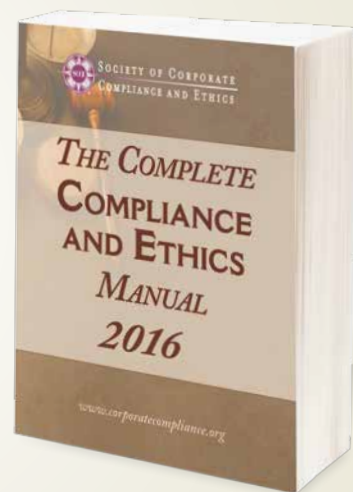
From an automotive enthusiast perspective, cable providers concerned about the amount of viewers for this network and/or revenue generated should consider a presentation for this type of network. The Baby Boomer

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providers. At the moment, many apps are free but I can see the future transitioning into fee-based apps as consumers decide not to have a cable provider. This relationship is similar to historic relationship between Ford and General Motors. For years, Henry Ford offered the Model T in one color: black. It wasn't until General Motors came along and offered new models every year and in different colors. Ford, who once made the rules now had to adapt to new rules made by their competitor.<sup>8</sup> It took nearly 70 years for Ford to catch up and cable providers may find themselves in a similar environment. This case is reminder of how ethical decisions and a changing environment can impact organizations. ■

generation created this market.<sup>6</sup> I have not been able to find the value of the collector car hobby but one can imagine. In one year, Barrett Jackson generated \$66 million at an Arizona event and \$22 million at their Florida event.<sup>7</sup> The sale of an Oldsmobile concept car that was supposed to be destroyed decades ago sold for \$3 million. This transaction alone increased viewers and attendees of the Barrett-Jackson Collector Car Auction. These transactions do not include similar auction activities such as the Mecum Auto Auctions or revenues from participating in automotive competitions such as the Concours D'Elégance and the Concorso Italiano.

Television is evolving. Purchasing cable may be a thing of the past. With the introduction of smart televisions and network apps, viewers are able to watch many networks without relying on a cable provider while others require entering a code from the viewers' cable

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#### ENDNOTES

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